

**Testimony
Robert Mallozzi
First Selectman
Town of New Canaan
Finance Committee
March 4, 2013**

**RE: SB-843 – AN ACT CONCERNING REVENUE ITEMS TO
IMPLEMENT THE GOVERNOR'S BUDGET**

State aid to municipalities has been flat funded for more than a decade, requiring towns to fund a larger portion of education and other programs from property tax revenues. At the same time, town budgets are already strained from continued increases in the cost of providing education, public safety and other critical services.

Given the ongoing budgetary pressures on municipalities, lawmakers **should reject provisions in SB-843** which would eliminate the property tax on motor vehicles with an assessed value of less than \$20,000. New Canaan stands to lose about \$2 million in tax revenue under this proposal.

The proposed elimination of the car tax would be very problematic for New Canaan and other small towns. We would have to make up for the revenue loss by increasing property taxes on homes and businesses which would hurt middle-class and elderly residents.

The so-called reduction in costs to our Town by not having to collect and administer the property tax on motor vehicles is ridiculous. The same employees we employ to administer our real estate taxes will still be fully involved in the process and we estimate any work-load savings at roughly \$30,000 - hardly significant cost reductions based on a \$2 million reduction to revenues.

Thank you for the opportunity to comment on this proposal.

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